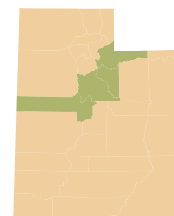




Provo-Orem Occupational Projections 2010 to 2020



BY JIM ROBSON, ECONOMIST

The Department of Workforce Services (DWS) has published the ten-year occupational projections online (<https://jobs.utah.gov/wi/pubs/outlooks/index.html>). The current long-term projections cover the period from 2010 to 2020 and this glimpse into the future is refreshed every two years. Job seekers, students, career counselors, parents, educators, and trainers use the projections to gauge future demand for various occupations and industry trends, allowing them to make informed decisions.

The focus of the ten-year occupational projections is not to try to anticipate year-to-year fluctuations in economic activity and occupational growth. Instead, expected structural changes and trends in the economy are used to determine the relative growth and demand among occupations over the coming decade. One major DWS assumption in the 2010-2020 projections is that the Utah economy will be at or near “full employment” by 2020, which is to say, that economic production—Gross State Product (GSP)—is expected to be near the level of its potential by the end of the projection period. This will require the economy to play catch-up, but it is within Utah’s reach.

Here we explore the outlook for the Provo-Orem Metropolitan Statistical Area (MSA), comprised of Utah and Juab counties, for 2010 to 2020.

Economic Recovery

Just like the rest of the country and state, the Provo-Orem MSA has passed through the longest and deepest recessionary period since the 1930s. The slower-than-average recovery since 2010 is building as growth in output, jobs, and incomes have gradually improved. During 2013, new jobs in this area have increased at almost 5 percent on a year-over basis.

Labor Force

In recent decades, the Provo-Orem Metropolitan labor force has become older, more racially and ethnically diverse, and comprised of more women. Not surprisingly, these trends are expected to continue across the current projection period. One major demographic trend that cannot be ignored is the aging of the baby-boom generation that will be between the ages of 56 and 74 in 2020. Persons above the age of 55 have distinctively lower labor force participation rates than those in their prime working years of ages 25-to-54. As will be noted later in this article, replacement employment opportunities for most occupations provide a significant portion of demand. Much of the replacement demand is due to retirements of older workers.

in this issue:

Provo-Orem Occupational Projections 2010 to 2020..... 1

Local occupational projections provide estimates about the distribution of occupations through 2020. Which Mountainland jobs are predicted to be promising?

Current State of Economy in Mountainland..... 5

What do the most recent economic indicators tell us about Mountainland?

The Making of Occupational Projections..... 8

Occupational projections provide users with guidance to make more informed decisions about long-term goals.





Provo/Orem Occupational Projections Continued

Industry Employment Growth

Jobs are grouped by industry according to the types of goods or services provided by a firm. Everyone who works in a hospital, for example, is part of the healthcare industry. Yet this includes not only healthcare-specific workers, such as doctors and nurses, but also occupations found across other industries, such as office managers, accountants, receptionists and janitors.

Industry employment projections start with the known job counts in the base year of 2010 for each industry, then a forecasted yearly numeric change (growth or decline) is added over the projection period to 2020.

In the Provo-Orem MSA, nonagricultural wage and salary employment is projected to grow by 54,300 jobs by 2020. As has been the case for several decades, Service-providing industries will account for most of this growth in the next ten years. The goods-producing industries of mining, construction and manufacturing are expected to increase by 8,550 jobs by 2020. The new goods-producing jobs are in construction increasing by 1,700, Manufacturing adding 6,800 and Mining jobs increasing by 48. In the Service-providing industrial sectors, the Healthcare and social assistance industry is expected to grow the fastest, 3.5 percent per year, adding 8,650 jobs by 2020. Retail Trade is projected to generate the second greatest number of jobs, increasing by 7,000. Education (both private and public) employment is third, increasing by 6,500 jobs.

Occupational Employment Growth

The occupational projection results provide four measures that are used to reflect the future demand or relative job opportunities

Figure 1: Projected Percent Change in Employment by Major Occupational Group 2010 to 2020

Major Occupational Group	Percent
Construction & Extraction	50.0
Healthcare Support	43.9
Community & Social Service	41.4
Business & Financial Operations	39.8
Installation, Maintenance, & Repair	38.6
Personal Care & Service	36.9
Computer & Mathematical	35.5
Healthcare Practitioners & Technical	34.6
Legal	33.7
Architecture & Engineering	32.8
Transportation & Material Moving	32.2
Sales & Related	31.4
Arts, Design, Entertainment, Sports, & Media	31.1
Production	30.8
Office & Administrative Support	29.4
Protective Service	28.6
Building & Grounds Cleaning & Maintenance	27.2
Food Preparation & Serving Related	27.0
Education, Training, & Library	26.6
Management	22.9
Life, Physical, & Social Science	19.2
Farming, Fishing, & Forestry	-0.6

afforded by specific occupations. These are the numeric change and the percent change in employment from 2010 to 2020, and the

average annual openings due to either the growth in employment or replacement of workers who have left an occupation.

Figure 2: Projected Numeric Change in Employment by Major Occupational Group 2010 to 2020

Major Occupational Group	Numeric Change
Office & Administrative Support	8,780
Sales & Related	6,900
Construction & Extraction	5,210
Education, Training, & Library	4,800
Food Preparation & Serving Related	3,520
Production	3,370
Healthcare Practitioners & Technical	2,970
Transportation & Material Moving	2,840
Business & Financial Operations	2,780
Computer & Mathematical	2,470
Personal Care & Service	2,350
Management	2,320
Installation, Maintenance, & Repair	2,240
Healthcare Support	2,150
Building & Grounds Cleaning & Maintenance	1,800
Community & Social Service	1,570
Arts, Design, Entertainment, Sports, & Media	1,220
Architecture & Engineering	850
Protective Service	760
Legal	340
Life, Physical, & Social Science	230
Farming, Fishing, & Forestry	-10

Numeric change and percent change from 2010 to 2020, are important for different reasons, but when viewed together provide a more complete view of the projected changes for occupations.

Percent change is useful to compare the change between different occupations. For example, Figure 1 divides all occupations in the Provo-Orem MSA among 22 occupational groups sorted by their percent change from 2010 to 2020 to show which is the fastest-growing regardless of the occupation's base year size. The three fastest-growing occupational groups will increase by 40 percent or more—construction and extraction, healthcare support and community and social service.

Notice how the rankings of the occupational groups change when they are ordered by the numeric change instead of percent change (Figure 2). With 8,780 new jobs, office and administrative support has by far the largest numeric increase from 2010 to 2020. In Figure 1 office and administrative support was 15th of the 22 occupational groups with a 29.4 percent growth rate, yet it will provide the highest number of new jobs. Office and administrative support occupations have the largest number of jobs in the base year of 2010 and in the 2020 projection, adding the most new jobs even with a relatively modest growth rate.

Turning to individual occupations, Figure 3 shows the 15 fastest growing occupations in the MSA. Each these occupations will increase by at least 60 percent over the 10-year projection window. Several of these fast-growing occupations are related to healthcare or construction. All of these fast-growing occupations are, however, relatively small in size. The largest of these 15 occupations is listed last, operating engineers and other construction equipment operators with a 2010 base year employment of 950 and projected 2020 employment of 1,620, or a ten-year increase of 670 jobs.

Figure 4 lists the 15 occupations with the largest number of new jobs over the projection period. These are relatively large occupations, so their percent growth rates are generally less than the smaller fastest-growing occupations. Nonetheless, these occupations provide more new job opportunities from growth from 2010 to 2020. Some of these occupations are common

Figure 3: 15 Occupations with Largest Percent Increases in Jobs Projected 2010 to 2020

Major Occupational Group	Projected Employment Estimates
Telecommunications Equipment Installers & Repairers, Except Line Installers	110.0
Dental Laboratory Technicians	105.6
Helpers—Brickmasons, Blockmasons, Stonemasons, & Tile & Marble Setters	92.3
Electronics Engineers, Except Computer	87.5
Brickmasons & Blockmasons	87.5
Home Health Aides	86.7
Meeting, Convention, & Event Planners	75.0
Operating Engineers & Other Construction Equipment Operators	70.5
Cement Masons & Concrete Finishers	67.5
Telecommunications Line Installers & Repairers	66.7
Self-Enrichment Education Teachers	65.2
Excavating & Loading Machine & Dragline Operators	62.5
Software Developers, Systems Software	62.1
Cost Estimators	60.7
Interpreters & Translators	60.0

Figure 4: 15 Occupations with the Most New Jobs Projected 2010 to 2020

Major Occupational Group	Projected Employment Estimates
Retail Salespersons	2,420
Combined Food Preparation & Serving Workers, Including Fast Food	1,800
Customer Service Representatives	1,750
Office Clerks, General	1,390
Cashiers	1,210
Teachers & Instructors, All Other	1,170
Registered Nurses	1,150
Social & Human Service Assistants	880
Construction Laborers	870
Secretaries & Administrative Assistants, Except Legal, Medical, & Executive	860
Carpenters	830
Childcare Workers	820
Landscaping & Groundskeeping Workers	790
General & Operations Managers	730
Receptionists & Information Clerks	720



Provo/Orem Occupational Projections Continued

among large industries like retail trade, food services, healthcare or construction. A large occupation like office clerks is found in all industries and types of businesses with many new opportunities as the overall economy expands.

Job Openings — Replacement and Growth

The most widely used projection results for career exploration are the total number of expected job openings by occupation. This is a measure of future demand. In addition to job openings from new jobs, generally there are almost as many openings from the need to replace workers who have vacated existing jobs. Workers usually exit

an occupation to retire or otherwise leave the labor force, or to move to another occupation. Over the 10-year projection horizon there are a total of 69,000 new jobs expected due just to new growth and an additional 44,000 for replacement within existing jobs in the Provo-Orem MSA.

The 15 top occupations in the Provo-Orem MSA with the most job openings in the coming decade are shown in Figure 5. Most of the top 15 occupations are found among retail trade, food services, office management and support workers, healthcare, and education industries.

Career Preparation, Education and Wages

The Provo-Orem area occupational projections provide results for 350 distinct occupations. In general, occupations with higher education and training requirements tend to provide higher wages.

Some occupations have a single distinct path for entry while others have several possible paths. The U.S. Bureau of Labor Statistics (BLS) categorizes career pathways using three dimensions: (1) education, (2)

work experience in a related occupation and (3) typical on-the-job training. Although some occupations have more than one identifiable path, only one path—the one most prominent—is assigned as the typical path. The education and training pathway shows a job seeker or student how they can prepare to enter a given occupation and become proficient.

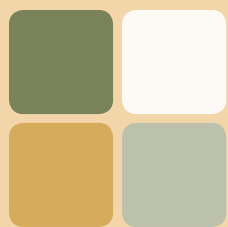
When evaluating the desirability of an occupation, wages are usually a top consideration. The DWS occupational projections include wage statistics for comparative purposes. The online projections tables also provide a star rating system, indicating the occupational openings and wages. The rating system has one to five stars, with a five star rating signifying occupations with a combination of high wages and a high number of openings.

For more information on the Provo-Orem MSA occupational projections 2010 to 2020 visit:

<http://jobs.utah.gov/wi/pubs/outlooks/index.html>

Figure 5: 15 Occupations with the Most Annual Job Openings Projected 2010 to 2020





Current State of the Economy in Mountainland

BY JIM ROBSON, ECONOMIST

Economic conditions in the Mountainland Service Area (Utah, Juab, Wasatch and Summit Counties) continue to be above average with vibrant year-over job growth of 5.0 percent, or 10,850 new jobs, from June 2012 to June 2013. Job growth and other indicators show that the economy is well into its third year of renewed strength. Through the fall of 2013, average payroll job growth ranged between 4.5 to 5.5 percent in the region. There has been job growth in most major industry sectors with particular strength among the construction, trade, healthcare, professional/technology and manufacturing industries. Unemployment in the region has subsided considerably from the recessionary peak of 8.2 percent at the beginning of 2010 to 4.5 percent by October 2013.

Utah County

In June 2013, the number of payroll jobs in Utah County increased on average by 4.9 percent over 2012, with 9,241 new positions. New robust employment growth has occurred in 10 of 17 major industrial sectors (see Figure 6). The most new jobs were added by the construction industry with 2,278 additional jobs, a year-over increase of 17.4 percent. The majority of these new positions were in residential housing construction, which continues its recovery from the low levels

of activity in the last recession. This new construction activity is reflected in related industries such as furniture manufacturing, Building materials and garden supply stores and real estate services—all of which experienced healthy job gains. Commercial and industrial building construction also provided additional strength in construction in second quarter 2013.

In addition to the 2,278 construction jobs, six other private sector industries added between 550 and 1,590 new jobs over the 12 months ending in June 2013. Leading this list is trade (wholesale and retail) with 1,586. the most trade jobs were added in retail by clothing and clothing accessories stores. healthcare/ social assistance contributed 1,206 new positions, increasing by 5.8 percent. Manufacturing businesses added 1,095 jobs with an increase of 6.6 percent. Professional/Scientific/ Technical Services grew 8.0 percent or 1,084 jobs with computer systems design being responsible for two-thirds of the new job opportunities. Restaurants/food services and accommodations added 550 jobs. The administrative support/waste services industry added 690 jobs. The state higher education and the financial services industries contributed job increases above 6.0 percent.

The unemployment rate in Utah County peaked in the early spring of 2010 at 8.1 percent, with 18,100 residents who could not find work. By October 2013, the unemployment rate had fallen to 4.3 percent with about 10,500 unemployed workers. Initial claims for unemployment benefits in 2013, while still above the levels seen prior to the recession, are at their lowest level in five years.

Utah County employment growth through the end of the year will likely continue at a rate between 4.5 and 5.0 percent. The renewed growth in construction, including housing, is expected to result in an 18 percent increase in construction jobs for 2013 over last year. One other major contributor to the robust Utah county economy is professional/scientific/technical services. These better than average paying jobs are expected to increase in 2013 by 8.0 percent. Manufacturing job increases should subside from the lofty 4.5 percent in 2012 to a rate around 2.8 percent.

Summit County

From June 2012 to June 2013, Summit County added 959 new jobs for a year-over increase of 4.6 percent. The Summit County labor market exhibited new strength in the second quarter of 2013 with 7 major



Current State of the Economy Continued

industries producing year-over job growth above six percent.

Leisure and hospitality services again added the most jobs, increasing by 265 positions, with recreation providing 130 of the new jobs and restaurants and other food services adding 135. Financial activity jobs increased by 193, mostly in real estate, banking and credit unions. Trade contributed 135 new positions. Professional/scientific/technical services added 105 new jobs, mostly related

to computer systems design, architectural, engineering and advertising services. construction grew a healthy 6.6 percent adding 78 new jobs. Finally, healthcare/social assistance jobs expanded by 67.

The jobless rate in Summit County topped out at 8.0 percent in November 2009 as a result of the recession. It has since receded to a favorable rate of 3.7 percent in October 2013. On a seasonally adjusted basis, there are about 860 unemployed Summit county residents for any given month. Initial claims for unemployment benefits are at five year lows.

Summit County forecasted job growth of around 700 new jobs in 2013, slightly less than the 791 experienced in 2012. Employment gains among the majority of

industry sectors will continue, however the rapid increases in professional and business services may moderate. Leisure and hospitality will continue to provide the largest number of new jobs.

Wasatch County

Wasatch County job growth from June 2012 to June 2013 was a robust 7.2 percent with new jobs added in several industry sectors. State government reductions of 21 positions was the one major industry of 17 with significant over-the-year job losses.

The largest Wasatch County job increases from June 2012 to June 2013 occurred in construction with 101 new jobs. most of the construction jobs were

Figure 6: Payroll Job Change from June 2012–June 2013 for Mountainland Counties by Industry

	Utah County		Summit County		Wasatch County		Juab County	
	Count	Percent	Count	Percent	Count	Percent	Count	Percent
Construction	2,278	17.4%	78	6.6%	101	12.9%	117	45.0%
Trade	1,586	5.7%	139	4.1%	75	6.8%	5	1.7%
Healthcare/Social Services	1,206	5.8%	67	6.9%	91	18.5%	35	7.7%
Manufacturing	1,095	6.6%	-12	-1.5%	32	16.3%	15	2.4%
Prof/Sci/Tech/HQ*	1,084	8.0%	105	11.5%	11	4.7%	20	17.2%
Information	739	8.6%	26	10.1%	6	6.3%	d	d
Leisure/Hospitality	565	3.7%	265	3.8%	36	2.9%	5	1.9%
State Government	488	6.3%	2	1.3%	-21	-10.0%	0	0.0%
Financial Activities	466	7.4%	193	14.2%	23	8.2%	-1	-1.7%
Other Private Services	213	4.7%	39	6.9%	12	6.9%	16	44.4%
Transportation/Warehousing	-13	-0.5%	26	8.8%	9	9.7%	-7	-17.9%
Local Government	-25	-0.1%	33	1.3%	2	0.2%	-9	-1.3%
Federal Government	-26	-2.6%	-5	-6.8%	-1	-1.7%	0	0.0%
Mining	-27	-20.9%	-5	-5.6%	1	9.1%	-13	-16.9%
Utilities	-36	-11.8%	-1	-2.2%	0	0.0%	d	d
Admin Support/Waste**	-108	-1.0%	30	3.8%	90	23.9%	4	16.0%
Private Education	-239	-1.2%	-22	-6.8%	4	5.6%	d	d
Total	9,241	4.9%	959	4.6%	471	7.2%	181	5.8%

*Prof/Sci/Tech/HQ – Professional/Scientific/Technical Services and Management of Companies (Headquarters).

**Admin Support/Waste – Administration and Support/Waste/Remediation Services.

d = Not shown to avoid disclosure of individual firm data.

in heavy, civil engineering and utility system construction. Healthcare/social assistance contributed 91 additional jobs. Administrative support added 90 new jobs, most of which are janitorial services with some contributions from temporary help agencies. Trade saw 75 employment gains over-the-year while leisure/hospitality, manufacturing and real Estate gained 36, 32, and 23 jobs respectively for the 12 months ending June 2013.

The Wasatch County unemployment rate was estimated to be 5.1 percent in late fall 2013. During the recession, unemployment peaked in Wasatch at 9.9 percent at the end of 2009.

In 2012, jobs grew by 5.7 percent and the 2013 job outlook for Wasatch County is

bright. Job growth may slow somewhat from the first half of 2013, but overall employment is expected to be 6.8 percent above 2012 levels.

Juab County

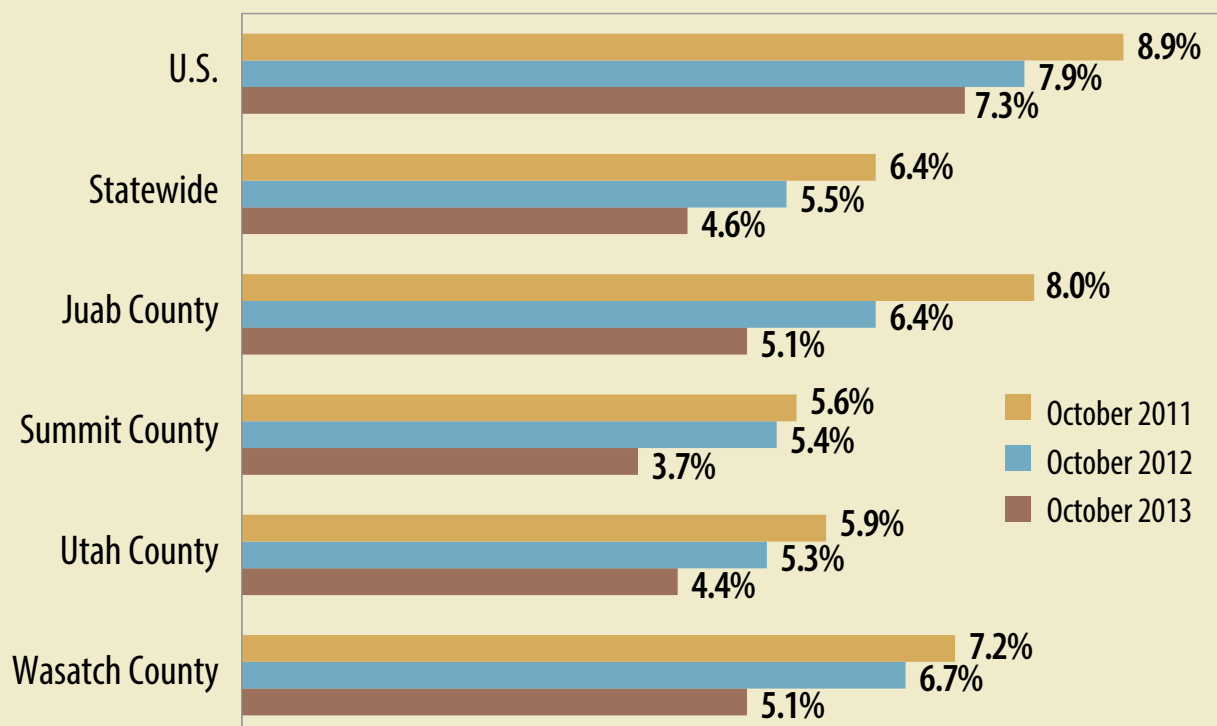
Juab County job growth moderated in the second quarter of 2013 to a healthy year-over rate in June of 5.8 percent. Juab added 181 new jobs with total employment reaching 3,309. Construction added the most new positions, 117, growing by 45.0 percent. The new construction jobs were split evenly between Non-residential building construction and specialty trade contractors (both residential and non-residential). Healthcare/social services added 35 new jobs, professional/technical services increased by 20 jobs and manufacturing grew by 15 jobs.

The 2013 overall job outlook is expected to remain favorable through the end of the year in Juab County. Average annual job growth is expected to be approximately 7.3 percent above 2012.

Mountainland Service Area

Utah, Summit, Wasatch, and Juab Counties' robust job growth and favorable labor market conditions will likely persist through the end of 2013 and into 2014. The unemployment rate in Mountainland has declined to a relatively favorable rate of 4.3 percent. Based on the strength of employment growth in recent years, job opportunities and lower unemployment will continue to characterize this area.

Figure 7: Unemployment Rate Comparison with Mountainland Counties
October 2011, October 2012, and October 2013





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The Making of Occupational Projections

BY MELAUNI JENSEN, LMI ANALYST

Every state is required to produce projections by the Bureau of Labor Statistics (BLS), the source of national long-term industry and occupational projections. Every two years, the Department of Workforce Services (DWS) Economists offer long-term industry and occupational projections. The occupational projections discussed in this issue of Local Insights reveal trends for growth or decline of workers by occupational groups and specific occupations. The ten-year period provides guidance for the public to make more informed decisions about their long-term goals. The projections contain valuable information about the likely future number of job openings and wages.

As you may know, industries represent businesses providing or producing the same products or services, while occupations describe work that requires certain tasks, duties or responsibilities. Occupations are coded using the Standard Occupational Coding (SOC) system that contains standardized and occupation-specific descriptors, requirements and worker attributes. This system is used for the entire nation and helps to better identify the occupation a worker may be looking to obtain. These are also grouped with similar occupations with comparable duties, called occupational groups. Approximately 5,000 employers receive the annual Occupational Employment Statistics (OES) survey from DWS in Utah, making it the largest and best wage and occupational survey in the state. This survey provides data on occupational staffing patterns that are established and applied or distributed for most industries, giving the economists the data they need to develop employment estimates for roughly 700

identified occupations and are prepared at a statewide level and for eight sub-state areas.

The first step in developing occupational projections is to generate industry projections using the Long-Term Industry Projections System (LTIP) provided by BLS. DWS Economists produce employment estimates for about 95 different industries in the state. After producing industry projections, economists then create the occupational projections by analyzing the results from the OES survey. In addition to the employment estimates from the OES survey, the MicroMatrix software system used by all states generates estimates of the number of annual average job openings expected to occur during the projections period. Growth occurs when positions are created, while replacement happens when workers leave an occupation therefore needing to be replaced. The education, work experience or job training generally required for the occupations are also included in the occupational projections to provide even more information. These are provided by BLS and contain information about the typical education and training requirements for an occupation.

DWS Economists have used time-tested economic theory along with economic tools to provide occupational projections and do not promise 100 percent accuracy. They are made with the understanding that major events can happen with policies, demographic trends or even natural disasters to tip the trends of the economy. By using these resources to “tell the future”, it provides more consistent and valid projections.